

Message Text

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42

ACTION ARA-10

INFO OCT-01 ISO-00 ARAE-00 SSO-00 NSCE-00 INRE-00 PM-03

NSC-05 SP-02 SS-15 L-03 CIAE-00 INR-07 NSAE-00 DODE-00

IGA-01 EB-07 AID-05 /059 W

----- 125033

O 301740Z MAY 75

FM AMEMBASSY ASUNCION

TO SECSTATE WASHDC NIACT IMMEDIATE 5015

USCINCSO NIACT IMMEDIATE

INFO AMEMBASSY MONTEVIDEO IMMEDIATE

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C O R R E C T E D C O P Y (TEXT)

FROM AMBASSADOR

MONTEVIDEO PLEASE PASS TO MR. SMITH ARA/APU

E.O. 11652: N/A

TAGS: MASS, EFIN, PA

SUBJECT: DEBT ARREARAGES IN FOREIGN MILITARY SALES

REF: STATE 123480 ET AL

1. SUMMARY: CHECK IN THE AMOUNT OF \$88,673.53 AS REQUESTED
IN TOTAL PAYMENT OF INTEREST DUE ON FMS ARREARAGE RE-
CEIVED TODAY. REQUEST SUSPENSION BE LIFTED IMMEDIATELY.
END SUMMARY.

2. I CALLED ON MINISTER OF FINANCE BARRIENTOS MAY 30
AND EXPLAINED TO HIM THAT THE OVERDUE INTEREST ON THE
FMS ARREARAGE HAD TO BE PAID IMMEDIATELY TO AVOID SUS-
PENSION OF MILITARY AID. I DELIBERATELY AVOIDED
MENTIONING TO HIM THAT THIS SUSPENSION HAD ALREADY
TAKEN EFFECT BECAUSE THIS WOULD HAVE BEEN CONSIDERED
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BY THE MINISTER AS AN OFFENSIVE AND UNFRIENDLY ACT

CONSIDERING THAT IT WAS DONE TOTALLY WITHOUT CONSULTATION. HOWEVER BY INFORMING HIM THAT IN ACCORDANCE WITH SECTION 620 OF THE FAA, THE USG WOULD HAVE NO CHOICE BUT SUSPEND MILITARY AID IMMEDIATELY UNLESS PAYMENT WAS MADE IN FULL TODAY, I WAS ABLE TO GET THE POINT ACROSS WITHOUT MENTIONING THE DE FACTO SUSPENSION. THE MINISTER SAID TO ME JUST LIKE HE DID WHEN HE PAID THE PRINCIPAL TWO YEARS AGO THAT THE GOP REALLY HAD NO RECORDS TO EITHER SUPPORT OR DISPUTE THE CLAIMED AMOUNT. HOWEVER IF I TOLD HIM IN THE NAME OF THE US GOVERNMENT THAT THE GOP OWED THIS AMOUNT AND THAT IT HAD TO BE PAID TODAY, HE WOULD SO SO. I ASSURED HIM THAT THIS WAS A FAIR SETTLEMENT AND THAT WE HAD TAKEN INTO ACCOUNT THE EXCEPTIONAL CIRCUMSTANCES OF THIS OLD DEBT BY REDUCING THE INTEREST BY SOME \$27,000. TWO HOURS LATE A MINISTRY MESSENGER BROUGHT THE CHECK WHICH WILL BE FORWARDED TO ARA/APU IN THE JUNE 2 POUCH.

3. I REQUEST THAT THE CURRENTLY SUSPENDED PORTION OF THE FY-75 MAP PROGRAM BE LIFTED IMMEDIATELY AND THE FLOW OF THE PROGRAM BE RESTORED AT ONCE TO ASSURE THAT THERE WILL BE NO ILL EFFECTS ON OUR BILATEAL RELATIONS.

4. I WOULD APPRECIATE IF ARA/APU WOULD INFORM PARAGUAYAN AMBASSADOR SOLANO LOPEZ THAT THIS MATTER HAS BEEN SETTLED SATISFACTORILY.

LANDAU

NOTE BY OC/T: EB, AID TAKE AS ORIGINAL.

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Message Attributes

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Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
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Disposition History: n/a
Disposition Reason:
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Margaret P. Grafeld
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EO Systematic Review
05 JUL 2006

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